

**N.C. Department of Commerce
Issues for Discussion with Duke Energy**

**Ensuring the Atlantic Coast Pipeline
Facilitates Economic Development Opportunities**

Clarify the Impact of Natural Gas Availability

- Confirm the dekatherms already committed, amount of firm capacity left, and the average number of industrial users that can be served with the remaining capacity. We believe that 90%-plus is already committed to Duke Energy and Dominion.
- *Will help to manage expectations about pipeline's impact and potential to increase the number of users that could be served; perhaps specific goals could be jointly set and publicized*

Market to Existing Companies

- Identify existing companies in or near gas distribution network that might benefit from access to natural gas and create more jobs.
- *Could include EDPNC existing industry team, natural gas business development representatives and others to share information to identify and connect with specific existing companies that may be good candidates for natural gas*

Create a Fund to Extend Distribution Lines

- Gas companies require a contract to provide service and construct infrastructure, which is cost-prohibitive to many existing and prospective companies.
- Create a fund for "dark" infrastructure to be constructed to sites with the best opportunity for future development.
- *Or create a fund to subsidize company's gas bill for a negotiated period of time at a scaling rate, so that the company is able to get access to gas at a more reasonable rate and grow its operations. This kind of subsidy has never been offered in North Carolina.*
- *Gas companies typically are not interested in receiving funding to construct gas lines because they must pay taxes on grant as "revenue" and are not able to invest in infrastructure without customer in place due to shareholder expectations.*
- *New concept for which mechanics would need to be developed, but could address challenges gas companies express with receiving funding to support infrastructure development.*

Identify Most Likely Locations of Future Direct Access to Pipeline

- Fayetteville, Pembroke and Smithfield have been identified as the first of three interconnects, due to market potential.
- Provide information on the next three most likely interconnect locations to help focus efforts to find existing and new customers.
- *Of the nine counties the pipeline will go through, three will have interconnects for gas distribution. Logical next step is to provide information on the location of future interconnects to better understand potential targeted areas for development. This can be done in conjunction with Department of Commerce and local economic development organizations.*